

**JEFFERSON COUNTY COMMISSIONERS
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TOM LYTHGOE, CHAIR

CHUCK NOTBOHM

KEN WEBER

**PROCEEDING OF THE BOARD OF COMMISSIONERS
COUNTY OF JEFFERSON, STATE OF MONTANA
October 24, 2006**

Present: Commissioners Lythgoe, Notbohm and Weber; Harold Stepper, County Planner; Carl Purdy, IT Manager; Bob Marks, Dave Kirsch, Bob Klein, Celia Wolny, Carrie Robinson, Tara Mastel, Sabrina Steketee, Marilyn McCauley

MINUTES

Commissioner Notbohm moved to approve the minutes of October 3. Commissioner Lythgoe seconded. The motion carried.

CALENDAR REVIEW

- 10/24 Candidate Forum - Montana City
- 10/25 Meeting regarding Big Boulder housing - 9:30
Meeting with Helena City Commission - Helena - 3:00
Weed Board - 6:30
- 10/26 Zoning Commission - Montana City - 4:00
MTAG - Jefferson City - 5:00
Headwaters Annual Dinner - 6:30
- 10/27 CSAA - Helena - 10:00
- 10/30 Helena City Commission meeting - Helena - 6:00

ELECTED OFFICIAL/DEPARTMENT HEAD CONCERNS

Commissioner Lythgoe stated that the Commission has received a letter of resignation from the map tech, and Carl has concerns with how to deal with the position. Carl Purdy, IT manager, stated that he wants to move forward so he can get someone hired. He would like to move from a three-quarter time position to full-time, noting that the three-quarter time was mainly for Lonnie's personal situation. He feels taking this position to full-time will give them a better chance to get someone into the position. He noted that the position description also needs some tweaking. Commissioner Lythgoe stated that he agrees with Carl, listening to be a full-time position. There were many times that Lonnie with South and they needed him. Commissioner

Notbohm stated that they need to know the difference in cost. Commissioner Lythgoe instructed Carl to work with Kelly on the position description and posting noting that Lonnie's last day is November 30.

SUBDIVISION REVIEW

FINAL PLAT APPROVAL - SACRY MINOR SUBDIVISION

Harold Stepper, County planner, presented his staff report and recommended that final plat approval be granted. Commissioner Weber moved to grant final plat approval. Commissioner Lythgoe seconded. The motion carried.

ITEMS FOR COMMISSIONERS ACTION OR REVIEW

DISCUSS AND DECIDE ON ALLOCATION OF COUNTY SHARE OF METAL MINES MONIES

Commissioner Lythgoe noted that Bob Klein was in attendance at the meeting and informed him that the commission will not be deciding on the school portion of the metal mines monies. Bob Klein stated that the Clancy school never asked for the money to be released. The commission did hear from a school board member the previous week and they do want the money. It is his understanding that the commission has also received a letter from the Jefferson high school. Boulder elementary school is trying to assess the impact of the mine closure and will have something to the commission by next week. Commissioner Lythgoe noted that by law, the commission only has to give the money to Clancy and the high school. They did want to give the other schools a chance, and Montana City school has said that they do not want any of the money.

Commissioner Notbohm stated that it is his opinion that schools need to show an impact receive the money. Sabrina Stekette asked what Commissioner Notbohm has in mind. She is on the elementary school board and personally knows of families that left because they lost employment. She asked if there is a formula that they could use. Commissioner Lythgoe noted that Clancy elementary and Jefferson high don't have to show an impact and noted that the law really doesn't outline or formula. He would have a problem with the last action of Tunnels determining the impact as the mind has now reopened in the schools may be receiving students from the families. Commissioner Notbohm noted that the schools have budgeted and planned for this money. Clancy built a new school to handle enrollment. Dave Kirsch stated that Boulder probably had 20 families affected by the mine closure. Some are still here and some have moved away. Commissioner Notbohm stated that if they move away that means less money to the school and is a definite impact. Commissioner Weber suggested that they see if a hot lunch program has been affected, if they of law students, and if there has been an impact to the afterschool program. He stated that there are a variety of factors look at.

Commissioner Lythgoe stated that when the monies were released in the Whitehall area the only eligible schools were Cardwell elementary and Whitehall high school. Whitehall elementary also claimed an impact and it was the commission decision to split the monies three ways. He is not sure that this was fair. Bob Klein asked what funds they are discussing the school money or

trust funds. If these monies are released some will go to the County, and of that money Whitehall set up a grant funds. He asked if that is available. Commissioner Lythgoe stated that this will be decided today, how to allocate the County's funds.

Commissioner Notbohm stated that he hopes that schools will use the money to reduce debt rather than just find ways to spend it. Commissioner Lythgoe noted that Mr. Klein is superintendent at Boulder and Clancy and he will use the money wisely. Bob Klein stated that the intent of the high school is to hold the money and develop short-term investments. Their intent is to tap the interest only.

Commission Lythgoe stated that, in regards to the county share of the metal mines funds, the Commission received a letter in April from MTAG and the JLDC requesting the release of the funds and recommendations for their use. At the time this letter was written everyone was under the impression that the county was due to receive \$900,000, and the recommendation was based on that amount. The recommended expenditures were as follows:

\$200,000	County debt reduction
\$150,000	grants - Boulder North
\$150,000	business loan program
\$150,000	support development of business park
\$150,000	JLDC ongoing projects
\$100,000	reserve

Commission Lythgoe stated that as discuss last week, his personal feelings are that although the County has twice the money we originally thought, he is only comfortable with approving the request based on \$900,000. This stance is based on the commission's decision to take high-profile positions regarding mining, DEQ permitting, and public access on public lands. It is going to cost the county if we get into those battles, and the commission has made a long range commitment to fight this battle. He is not willing at this point to take the metal Mining reserve any further than the original request.

Commissioner Weber stated that one thing they asked of Terra the previous week was to include funding for staffing. Tara stated that she has a revised request. Commissioner Lythgoe also noted that they did indicate to Tara that the county really has no debt retire. Tara presented a revised request that totaled \$800,000 (on file in clerk and recorder's office). Commissioner Weber noted that the request gives the affected area as "north of Boulder", and this could throw people somewhat. It might be better to change that to indicate the same area as the High School District. Commissioner Weber noted that there is \$100,000 specified for reserve and asked why this was not tied in with one of the other line items. Tara stated that they don't know what might be coming; they didn't know the meth facility was coming and they want to leave some un-earmarked money available.

Commissioner Lythgoe asked if the \$50,000 for housing development will go for a JLDC position. Tara stated that the board is still discussing this.

Commissioner Notbohm asked about the \$250,000 for JLDC operations over the next four years. He asked if this figure is the county match that goes along with what MSU puts in. Tara stated that it is not, noting that her salary will still come from the county. Commissioner Notbohm asked, with their portion, what the County gives to the JLDC. Tara noted that she is an extension agents. This money is to go to the JLDC for operations. Commissioner Notbohm stated that he has a problem with \$100,000 being set as a reserve on an as-needed basis. This should be up to the discretion of the Commission. Commissioner Weber asked if he would like to add "on Commission approval". Commissioner Lythgoe noted that everything is on Commission approval, noting that the grant and loan programs both need Commission approval. As for the \$250,000 to the JLDC for operations, he asked if there is some salary included in this figure. Tara stated that this money is just for operations. However, she did have to come to request an additional \$80,000 to supplement the JLDC budget at the end of the last fiscal year. Commissioner Notbohm stated that his main concern is that this money, for the most part, is a one-time thing. Tara stated that the \$250,000 and \$150,000 amounts will go into interest-bearing accounts and they hope to work on the interest.

Commissioner Lythgoe stated that the grant and loan program monies will stay in our account, as well as the grant/loan match funds. The \$50,000 would go to the JLDC, and maybe the \$250,000. Commissioner Notbohm stated that the JLDC is a private, non-profit group, and asked how they can give this much money for their own purposes. Commissioner Lythgoe stated that he is not saying he disagrees, but the JLDC is the economic development arm of the Commission. The private, non-profit group status doesn't hold any water with him; in his mind, that is not a good reason not to give them the money.

Commissioner Notbohm stated that he was in office when the JLDC was established. The intent was for them to become self-supporting. Now, the County is giving them more money than ever. When they are talking about this amount of money, they need to be open to the public. They need input from their constituents. He doesn't approve of the way this comes down. Tara stated that they did discuss this in the budget meetings. They do act as staff for the County. They can't be self-supporting when they are giving free services to the Commission. Commissioner Notbohm stated that a good portion of the money from AYA should go to administrative costs, and the same with the industrial park. He can't agree to commit to this amount of money with no strings attached; it needs to be on a per-year basis.

Bob Marks stated that there appears to be an element of distrust injected here. He was on the economic development committee at the time, and the County Commission recognized at that time the need for economic development in the County. After much discussion, the Commission decided that the best way to cultivate economic development was to create a corporation. This was seven years ago and during that time the JLDC received a grant from Congress with no strings attached, and the JLDC was very frugal with this money. The Commission asked the JLDC to manage the project on the South Campus. The renovation of buildings seven and eight for AYA cost 1.2 million. This project is a benefit to the county and city and used both state and federal funds. The federal money was spent in a very frugal manner and the JLDC requested and received two extensions for the expenditure of the funds. Bob stated that the JLDC was set up to work hand-in-hand with the Commission and he doesn't feel that any request presented today is

unreasonable. Of utmost importance at this time is a request for housing coordinator. The project has gotten off to a good start in Boulder and JLDC's death has no time to adequately handle this.

Commissioner Lythgoe stated that he thinks that the JLDC as a function is really no different from what the Commission is doing in regards to the Forest Service roads and mining issues. The Commission has no time or expertise to deal with these issues and will have to hire someone. The Commission cannot give adequate time to deal with economic development issues; that is why we have the JLDC. The fact that they have not become self-sufficient does not surprise him. In fact, he's not sure he would want this, as he wants to have a connection.

Celia Wolny stated that she does have concerns with giving so much money to any private business. Once the County gives the money, they have no say over it, and so the public has no say over the money. She feels the release of the money needs to come before the Commission with an opportunity for public input.

Dave Kirsch stated that when the mines came in, there were a lot of public meetings that discussed the impact to the community when they would eventually leave. The state set up a program for economic development to mitigate the impact. That is what the JLDC is doing. This money is dedicated for economic development to offset the impact of the community when the mine goes away. Celia stated that she understands the intent; she has done a lot of study. However, a lot of information doesn't get out to the public. Bob Marks interjected that the JLDC meetings are open to the public, the agendas are posted, and if people are interested they can show up to the meeting. It bugs him when two or three people complain that they don't like what the JLDC is doing. Celia stated that she won't say that she doesn't agree with everything that the JLDC does. They do some good things for the community, but because of some things that have happened in the past, sometimes there is not a lot of notice to deal with or have input. She would just like the JLDC to have to come to a public meeting and request the funds and give the public an opportunity to comment.

Commissioner Lythgoe stated that as a private nonprofit corporation, it avails them of some opportunities to receive grants and funds others are not eligible for. Marilyn McCauley asked that if the money is given to the JLDC to split out, such as grants, are they in charge of who gets the money. Commissioner Lythgoe stated that there is a separate committee, who makes recommendations to the Commission and then the Commission decides on the grant awards. Commissioner Weber outlined the membership of the grant committee and how grants are approved and paid. He stated that there is a whole series of checks and balances before any money leaves the fund.

Commissioner Notbohm thanked Bob for discussing the formation of the JLDC. However, the problem he has with the JLDC and why he would like to keep a tighter reign on the money, is that when he came back into office four years ago, he couldn't get any information from the JLDC regarding the AYA project. He feels that this is poor management. Also, the industrial park in Whitehall has cost \$400,000 to date, and there is still no lease. This is poor business practice. Because of this, he is not in favor of this allocation.

Commissioner Weber's stated, not to ill-legitimize anyone's concerns, he would move to grant the proposal. Commissioner Lythgoe seconded for discussion, and asked Commissioner Weber if he had any stipulations on his motion. Commissioner Notbohm left the meeting at this point, stating that he would have no part in this bullshit. Commissioner Weber stated that the grant and loan funds should stay with the County to be dealt with as they are in Whitehall, and the rest of the money should go to the JLDC. Commissioner Lythgoe enumerated each requested amount for clarification and asked Commissioner Weber if it is his intention for each of these to go to the JLDC. Commissioner Weber stated that this would let them benefit from the interest and noted that this is what the money is stipulated for. Commissioner Lythgoe stated that he has no problem allocating \$80,000 to JLDC, but a bit of a problem with writing a \$500,000 check. He stated that he feels the \$250,000 and the two \$100,000 amounts should be given on an as needed basis. Commissioner Weber noted that they could probably stretch another year if allowed to lump these monies and gain interest on them. Another option would be that the County invests these monies with interest and allocate the interest to the JLDC. Commissioner Lythgoe stated that he could support the motion is items five and six, \$100,000 for grants/loan matching funds and \$100,000 as a reserve, were not included.

Commission Weber amended his motion to write a check to the JLDC for \$300,000 to address items three and four, \$50,000 for housing development and \$250,000 to the JLDC for operation expenses. The remaining items will be allocated as needed upon Commission approval. Commissioner Lythgoe seconded as amended.

Still you will only requested that the JLDC rewrite their proposal with the changes and make it available to the public. Commissioner Lythgoe's noted that the minutes are available to the public, and they have been talking about various versions of those proposals since April. Celia noted that the figures have changed since she first saw the proposal. Commissioner Lythgoe pointed out that the request is \$100,000 less than the original proposal.

Commissioner Lythgoe stated that no decision will be made at this time. This item will be put back on the agenda and the information will be put on the counter in the Clerk and Recorder's office.

DISCUSS AND DECIDE ON FORMING RMD IN SHEEP MOUNTAIN 1, 2, 3 & 4 SUBDIVISIONS

Commissioner Lythgoe noted that Joe Schmaus is not in attendance at this meeting. This will be placed on the future agenda.

OPPORTUNITY FOR PUBLIC COMMENT

Marilyn McCauley stated that road signs are missing for Elk Park and Lower Valley Road where it hits Highway 69. Also, she would like a sign designating which road is the County road put by her mailbox.

Commissioner Weber moved to adjourn the meeting of October 17. Commissioner Lythgoe seconded. The motion carried.

Commissioner Lythgoe moved to adjourn the meeting. Commissioner Weber seconded. The motion carried.

MEETING ADJOURNED

ATTEST:

**BONNIE RAMEY
CLERK AND RECORDER**

TOMAS E. LYTHGOE, CHAIR

CHUCK NOTBOHM, COMMISSIONER

KEN WEBER, COMMISSIONER